

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE BUREAU OF AGRICULTURAL ECONOMICS,
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

January 14, 1924

Vol. II, No. 2

FEDERAL TRADE COMMISSION ISSUES ORDER CONCERNING GRAIN MARKETING

The Federal Trade Commission; under date of December 28, 1923, issued an order directing the Chamber of Commerce of Minneapolis, its officers, board of directors and members, and the Manager Publishing Company, its officers, agents, and employees, to cease and desist from combining and conspiring among themselves and with others, directly or indirectly, to interfere with, or injure, or destroy the business or the reputation of the St. Paul Grain Exchange, or its officers and members, or the Equity Cooperative Exchange, or its officers and stockholders, by publishing or circulating any false or misleading statements concerning the financial standing or business methods of either of the exchanges.

The commission further directed that the Chamber of Commerce or its representatives should not conspire to induce, persuade, or compel its agents or employees to refuse to deal with the St. Paul Grain Exchange or its members, or with the Equity Cooperative Exchange or its stockholders or customers. Furthermore, the Chamber of Commerce was directed to desist from hindering, obstructing or preventing any telegraph companies from furnishing price quotations to the St. Paul Grain Exchange, or to the Equity Cooperative Exchange. It was also directed to desist from denying to any duly accredited representative of farmer grain growers or shippers admission to membership in the Chamber, because of the plan or purpose to pay patronage dividends or to operate according to the cooperative plan of marketing grain.

The Equity Cooperative Exchange is a North Dakota corporation, formed about August 1, 1912, engaged in buying, selling, shipping, storing, and otherwise handling grain, seed, etc. It originally opened an office in Minneapolis, but in August of 1914 moved to St. Paul, where in conjunction with others it established the St. Paul Grain Exchange.

The stockholders of the Equity Cooperative Exchange numbered 17,500 in September of 1922. These stockholders resided in the states of North Dakota, South Dakota, Wisconsin, Minnesota and Montana. The exchange as a corporation owned and operated about 75 line and local grain elevators located at various points in Minnesota, North Dakota, and South Dakota. It also owned and operated at St. Paul a terminal elevator with a capacity of 750,000 bushels.

The Federal Trade Commission found in its investigation that about 90% of the stock of the exchange was held by individuals who were actively engaged in the production of grain.

LOCAL POTATO-SHIPPING ASSOCIATIONS IN MICHIGAN

Information derived from a study of the detailed reports of 46 of the 105 active locals affiliated with the Michigan Potato Growers' Exchange, Cadillac, Mich., is helpful in understanding the present status of the local association in the cooperative marketing movement. Sixteen of the locals were formed in 1918, an equal number in 1919, five in 1920, and one each in 1921 and 1922. The total membership for the 43 locals reporting number of members, was 5,453. Three of the associations had less than twenty members each, five had more than 250 each. The 43 associations reporting membership, arranged in groups according to number of members, gives the following:

Members	Number of Associations	Per Cent	Accumulated Per Cent
Less than 25	3	7.0	7.9
25 to 49	8	16.6	25.6
50 to 74	4	9.3	34.9
75 to 99	6	14.0	48.9
100 to 124	4	9.3	58.2
125 to 149	5	11.6	69.8
150 to 174	5	11.6	81.4
175 to 199	3	7.0	88.4
200 to 224	0	0	88.4
225 to 249	0	0	88.4
250 and over	5	11.6	100.0
Total	43	100.0	

The forty associations reporting number of cars shipped, forwarded a total of 1,488 cars to market. Seventeen of the associations shipped fewer than 19 cars of potatoes each, while two shipped from 120 to 139. The detailed figures are as follows:

Number of Cars Shipped	Number of Associations	Per Cent	Accumulated Per Cent
Less than 20	17	42.5	42.5
20 to 39	8	20.0	62.5
40 to 59	6	15.0	77.5
60 to 79	4	10.0	87.5
80 to 99	2	5.0	92.5
100 to 119	1	2.5	95.0
120 to 139	2	5.0	100.0
Total	40	100.0	

Thirty of the associations are buying collectively for their members. Many of the supplies bought in wholesale quantities are

retailed to the members. During the last business year the retail business of twenty-one of the associations amounted to nearly \$900,000. One association reported a business of over \$200,000 and three additional associations reported \$100,000 or more each.

Nineteen of the associations reported regarding amounts paid members of the board of directors for attending meetings. One association pays the expenses of the board members; three associations pay directors \$1 a meeting; two associations pay \$1.50 a meeting; five associations, \$2; five associations \$3; one association, \$5.10; one association, \$13 a year and one association \$30 a year.

Forty-four associations reporting regarding managers have had from one to five managers each, although the oldest association is but little more than five years old. The table below gives figures regarding number of managers per association:

Number of Managers in five years	Number of Associations	Per Cent	Accumulated Per Cent
5	2	4.5	4.5
4	7	15.9	20.4
3	10	22.8	43.2
2	13	29.5	72.7
1	12	27.3	100.0
Total	44	100.0	

The salaries paid the managers of the 44 associations reporting on this point ranged from \$600 to \$3,000 per annum. More than 60% of the associations pay their managers \$1,500 or less. In the case of five of the associations the compensation of the manager is a commission on sales. The table below gives the more important facts regarding salaries of managers:

Salary	Number of Associations	Per Cent	Accumulated Per Cent
\$ 600	1	2.3	2.3
900 to 936	4	9.1	11.4
1,000 to 1,060	6	13.6	25.0
1,200	7	16.0	41.0
1,300	1	2.3	43.3
1,500 to 1,560	9	20.5	63.8
1,700	1	2.3	66.1
1,800	3	6.8	72.9
2,000	2	4.5	77.4
2,400	2	4.5	81.9
2,500	2	4.5	86.4
3,000	1	2.3	88.7
Commissions	5	11.3	100.0
Total	44	100.0	

Of the 44 associations reporting regarding crop contracts with members, fifteen, or 34.1% have crop contracts and twenty-nine, or 65.9% do not. Thirty-seven associations out of 45 do business for non-members.

Handling charges for potatoes varied from 2¢ per cwt. for an association shipping eleven cars, to 20¢ for three associations shipping seven, twenty-two and forty-eight cars. Nine of the associations have handling charges of less than 10¢ per cwt.; eight charge 10¢; three charge 12¢; ten charge 15¢; two charge 16¢; three charge 17¢; one charges 18¢; and three charge 20¢.

Thirty-seven locals reported operating 57 warehouses with a storage capacity of 545,000 bushels. The smallest warehouse had storage for 2,400 bushels and the largest for 38,000 bushels. Seven warehouses had storage capacity for 25,000 or more bushels.

Twenty-six of the 131 potato locals organized in the last five years are inactive at the present time. This is approximately 20% of the total number.

---0---

COOPERATIVES HANDLE ONE-HALF OF TOBACCO CROP

Approximately one-half of the tobacco produced in the United States in 1922 was marketed through producer-owned and operated selling agencies. Six cooperative associations with 261,637 members handled 602,109,365 pounds of tobacco which was sold for \$129,860,000. In addition to the six large organizations handling tobacco there are a number of smaller associations. The detailed figures for the "big six" are as follows:

Association	Number of: Members	Pounds of Tobacco	Dollars
Burley Tobacco Growers' Cooperative Assn., Lexington, Ky.	92,750	196,978,673	\$41,000,000
Dark Tobacco Growers' Cooperative Assn., Hopkinsville, Ky.	64,000	175,000,000	25,700,000
Tobacco Growers' Cooperative Assn., Raleigh, N. C.	90,226	163,000,000	40,000,000
Northern Wisconsin Cooperative Tobacco Pool, Inc., Madison, Wis.	6,672	30,630,632	9,000,000
Connecticut Valley Tobacco Assn., Hartford, Conn.,	3,389	27,000,000	10,000,000
Maryland Tobacco Growers' Assn., Baltimore, Md.	4,600	9,500,000	2,160,000
Total	261,637	602,109,365	127,860,000

KENTUCKY MARKETING ACT UPHELD

The Supreme Court of Kentucky recently passed upon the Bingham Cooperative Marketing Act of 1922 in the case of Potter v. the Dark Tobacco Growers' Cooperative Association. In this case it appeared that Potter had entered into a contract with the association to market all of his tobacco through it during the years 1922 to 1926 inclusive. He proposed selling about 10,000 pounds of his 1923 crop outside the association, and was prevented from doing so by an injunction obtained by the association. He appealed from the decision of the trial court to the Court of Appeals of Kentucky, claiming that the exemption contained in the cooperative statute, giving associations exemption from the antitrust laws, was invalid, and that the association's contracts and methods of operation created a monopoly in restraint of trade. He also claimed that the contract was lacking in mutuality, and that the liquidated damage clause, providing that the association could recover 5¢ per pound as liquidated damages in case of the breach of the contract was excessive. The Court of Appeals held in favor of the association on all the points involved. The following quotations from the opinion in this case have special reference to the claim that the provision of the statute in question, exempting cooperative associations from the antitrust laws, is invalid:

The basis of this change in public opinion toward combination and classification is not in any sense political, but economic rather; and, in our judgment, it is because of basic economic conditions, affecting not only the farmers but also the public weal, that the classification based upon agricultural pursuits is reasonable, just and imperative for the good of the entire nation and every citizen thereof. If this be true, the Bingham Act is based upon a classification that is not offensive to the equal protection provision of the Fourteenth Amendment.

But what has current public opinion to do with constitutional inhibitions and guaranties? Just this: it affords the proper and usual approach for a consideration of their terms and meaning. That all law - even constitutional law - is not static but progressive and in step always with sound economic conditions and an enlightened public policy recently has come to be realized - if it ever has been thought otherwise - as is attested by highest judicial and lay utterances.

The following quotations shed light on some of the other propositions involved in the case:

In consideration of appellant's promises appellee agrees specifically to receive, handle, and market the tobacco appellant and other members deliver to it, and to settle therefor according to stipulated terms. Furthermore, appellant's agreements

OVER ONE THOUSAND MEMBERS ATTEND ANNUAL MEETING

At the annual meeting of the Twin City Milk Producers' Association, St. Paul, Minn., December 4, 1923, 1,156 members were in attendance. Among the significant measures adopted at this meeting was a recommendation that the next Minnesota legislature enact a law compelling every farmer producing milk or cream for city consumption to have a separate milk house. A resolution was also adopted forbidding the hiring by the association of any relative of any officer or director.

The president of the association, in his annual address, advised the members that if they were not satisfied with the work of the officers and directors of the association it devolved upon those present that day to select from among their own number others who they might expect to make good. He also made a plea for the production of high quality milk and assured the membership that high quality products would always sell.

An indication of the business policy of the association is given in the following excerpt from the report of the manager:

Twin City dealers do not buy milk from us because we have a monopoly of the supply. There is over ten times as much milk available within hauling distance of the Twin Cities as can be used here. We have been able to give real service to our dealers and to sell our milk at as low a price as they can obtain milk for elsewhere, and at the same time pay our members more because we are utilizing all of the by-products.

In his annual report, the secretary pointed out that the overhead expense of the association had been reduced in the four years, 1919 to 1923, from 9.5¢ per 100 pounds of milk to 4.5¢, a reduction of more than 50%.

During the first nine months of 1923 the total sales amounted to over \$4,800,000. The balance sheet, as of September 30, shows real estate resources to the amount of \$303,899, and equipment valued at \$157,945. Capital stock outstanding at that time amounted to \$284,696; there was an operating reserve of \$55,684, and a balance in the sinking fund, including interest, of \$90,271. The cash in banks and office amounted to \$120,211. The sinking fund has been increased during the several years by the following amounts:

1918	\$10,629	1921	18,717
1919	15,619	1922	21,592
1920	17,107	1923*	24,077

*Nine months only.

The membership increased from 3,789 in January, 1922, to 5,690 on November 24, 1923.

Figures indicating the progressive growth of the association since its organization in April of 1917, are given below:

Year	Total Sales	Milk Handled (Lbs.)	Cream Handled (Lbs.)	Butter Handled (Lbs.)	Cheese Sold (Lbs.)
1918	\$2,103,183	72,538,801	912,986	168,557	951,648
1919	3,113,408	88,217,181	1,293,834	371,128	1,734,298
1920	3,410,943	97,303,379	2,098,150	743,024	664,710
1921	3,796,807	147,031,313	2,262,668	1,705,593	1,260,749
1922	4,313,275	161,502,871	3,480,503	1,868,334	811,860
1923*	4,810,274	161,308,422	3,547,806	1,973,970	828,074

*Nine months only.

In addition to the products listed above there was made during the first nine months of 1923, 628,009 pounds of skim milk powder; 260,862 pounds of dry casein; 31,994 gallons of ice cream; and during five of the nine months, 98,561 pounds of condensed skim milk. Sweet cream to the amount of 1,958,645 pounds was shipped during the nine months. Much of this went to eastern Ohio.

Figures were presented at the annual meeting showing that the association receives 47-1/2% of the dollar paid by the consumer, and that the producer receives 84% of the dollar received by the association. Of the 16¢ retained by the association, 10¢ went to pay transportation charges and 2¢ for station expenses and supplies.

---O---

TWO CREAMERY PLANTS PURCHASED BY ARIZONA DAIRY PRODUCERS

A subsidiary company, known as the Arizona Dairy Producers' Company, was formed recently by the Arizona Dairy Producers, Phoenix, Ariz., for the purchase of creamery plants, and on December 1 the new company took over two such plants for the manufacture of butter, cheese and evaporated milk. The capitalization of the new company is for \$350,000 in shares of one dollar each. First mortgage bonds to the amount of \$210,000, bearing 3% interest, have been issued. Plans provide for the payment of interest and the retirement of these bonds by a deduction of 5% from the returns for milk and cream handled.

Initial capital for the operation of the subsidiary company is to be secured by the collection from the members of the sum of 60¢ per cow per month for four months. This fund is in the nature of a temporary loan and is to be repaid to the producers whenever funds become available.

The Arizona Dairy Producers is a non-profit marketing association with a membership of 384 dairymen.

AMERICAN TRADE COMMISSIONER STUDIES AUSTRALIAN COOPERATION

A report regarding the progress of the cooperative movement in Australia, by the American Trade Commissioner at Melbourne, states that the term "cooperative" is used by many private trading companies. The inquiry made by the commissioner revealed "a small number of successes, a substantial number of partial failures, and a large number of complete failures, so that it can not as yet be dignified with the name of 'movement.'" The report further states that "Sympathetic observers and thinkers..... are almost unanimous in agreeing that Australia's contribution in this direction is distinguished chiefly by the meagreness of its volume and the discouragingly slow rate of its development."

The only signal success recorded among the producing interests is among the dairy farmers who were the first to attempt cooperation and who established a number of butter factories in New South Wales and Victoria and gradually developed a considerable control of the industry. At the present time the local butter market is largely controlled by these associations, although their financial success has not been overwhelming and there have been numerous failures.

During 1923 a questionnaire was sent by the Commonwealth Bureau of Census and Statistics to all societies in Australia which used the term "cooperative." From the returns it was determined that only 365 societies were entitled to use the term in its widely accepted sense, though many more were acting within their legal rights in so doing. The 365 associations were divided into two classes, producers' cooperatives and consumers' cooperatives. The numerical strength of the two types is shown below:

State	Producers' Societies, 1922:			Consumers' Societies, 1922		
	No. of Societies:	No. of Branches:	Member-ship	No. of Societies:	No. of Branches:	Member-ship
New South Wales:	58	64	53,093	43	30	49,179
Victoria	67	73	53,048	29	16	21,058
Queensland	40	44	25,699	10	6	4,412
South Australia:	25	31	38,451	10	37	30,398
West Australia	26	4	2,619	43	6	
Tasmania	12	12	20,555	2	2	6,832
All States	228	228	193,470	137	97	111,879

Among the societies listed as producers' cooperatives are a number which conduct stores or purchase supplies for their members although this is not their main line of business. Also a number of the consumers' cooperatives manufacture certain of the commodities they sell. The chief distinction between the two types is in the methods of distribution of profits. In the producers cooperatives the profits are generally distributed in the form of interest on the capital invested, while in the consumers' societies the profits are distributed

in the form of a dividend on purchases after interest is paid on loan and share capital.

The financial condition of the producers' societies for the year 1922 is shown in the following table:

Producers' Cooperatives							
State	Capital:	Invested:	Total	Net	Interest:	Dividend	
	Loan	Share	Sales	Profits:	on Loan	on Share	
	Capital	Capital			Capital	Capital	
	£	£	£	£	%	%	
New South Wales:	28,430:	824,503:	12,230,060:	141,785:	6.6:	5.8	
Victoria	527,826:	1,214,728:	10,174,929:	47,116:	4.9:	1.6	
Queensland	59,442:	400,644:	5,597,966:	59,275:	3.6:	4.3	
South Australia:	49,645:	719,231:	5,468,747:	*10,145:	5.2:	3.9	
West Australia:	24,338:	42,999:	202,806:	9,403:	4.5:	2.4	
Tasmania	10,722:	99,257:	258,014:	13,435:	5.5:	2.1	
All States	700,403:	3,301,362:	33,932,522:	260,869:	5.0:	3.5	

*In this state heavy losses incurred by one company were greater than the profits made by the remainder of the companies.

---0---

ONE-THIRD OF RICE CROP SOLD COOPERATIVELY

Approximately one-third of the rice produced in the United States in 1922 was marketed through four farmer-controlled organizations. These associations, with a total membership of 4,090, handled 619,918,264 pounds of rice, which was marketed for \$13,447,412. The number of pounds handled by the different associations and the gross receipts of the several organizations, are given in the following table:

Association	Number of	Pounds of	Amount of
	Members	Rice	Sales
American Rice Growers' Association:			
Lake Charles, La.	1,366	232,763,518:	\$4,764,830
Rice Growers' Association of Cali-			
fornia, Sacramento, Calif.:	593	180,000,000:	4,219,582
Arkansas Rice Growers' Cooperative:			
Assn., Stuttgart, Ark.	1,031	158,760,000:	3,340,000
Louisiana Farm Bureau Rice Growers:			
Coop. Assn., Crowley, La. :	1,100	48,394,746:	1,123,000
Total	4,090	619,918,264:	13,447,412

COOPERATIVE CREAMERIES AND CHEESE FACTORIES IN MINNESOTA

Data collected by the Minnesota State Dairy and Food Department indicate a decrease in the number of cooperative creameries and cheese factories in that state during the economic readjustment of 1921 and 1922. There were five fewer cooperative creameries and eleven fewer cooperative cheese factories in 1922 than in 1921. While during the nine years from 1912 to 1921 the percentage which the cooperative creameries was of all the creameries increased from 71.9% to 77.6%, in 1922 this percentage fell back to 77.1%. However, the reduction in the number of creameries does not tell the whole story for the quantity of butter made in cooperative plants shows an increase of more than sixteen million pounds from 1921 to 1922. The percentage of butter made in cooperative plants has increased from 61.3% of all butter in Minnesota creameries in 1914, to 67.9% in 1922. Available data regarding number of creameries and amount of butter produced are shown below:

Year	Number of Creameries			Butter made	
	Total	Number of	Per Cent	Cooperative	Per Cent
	Number	Cooperatives	of Total	Creameries	of Total
				(lbs.)	
1906	726	555	76.4		
1907	722	527	73.0		
1908	751	566	75.3		
1909	796	574	72.1		
1910	750	560	74.6		
1911	814	606	74.4		
1912	864	621	71.9		
1913	852	614	72.1		
1914	850	622	73.2	74,079,146	61.3
1915	855	646	75.5	70,767,006	60.8
1916	848	644	75.9	79,815,936	60.3
1917	841	643	76.4	75,325,732	61.6
1918	823	630	76.5	84,235,732	63.3
1919	811	622	76.7	91,326,474	63.7
1920	830	642	77.3	91,716,231	65.8
1921	831	645	77.6	114,076,263	67.1
1922	830	640	77.1	131,000,283	67.9

During the eight years from 1914 to 1921 the number of cooperative cheese factories in Minnesota increased from 50.7% of all cheese factories to 85.2%. In 1922 the percentage dropped back to 78.3% as will be noted in the following table.

The total number of cheese factories in the state has varied from 63 active factories in 1912 to 87 in 1920. In 1922 the total number was 74. From 1921 to 1922 there was a decrease of eleven in the number of cooperative factories and an increase of four in the

number of privately operated plants. The average annual output for all the factories varied from 56,386 pounds in 1911 to 118,151 pounds in 1919.

Year :	Cheese Factories		
	Total Number	Number of Cooperatives	Per Cent Cooperative
1911 :	69	32	46.4
1912 :	63	30	47.6
1913 :	70	38	54.3
1914 :	71	36	50.7
1915 :	67	39	58.2
1916 :	83	49	59.0
1917 :	83	52	62.7
1918 :	78	47	60.3
1919 :	80	59	73.7
1920 :	87	69	79.3
1921 :	81	69	85.2
1922 :	74	58	78.3

---0---

A FEDERATION OF NEW YORK STATE MILK ASSOCIATIONS

Fifteen farmers' cooperative dairy companies make up the membership of the Eastern States Milk Producers, Inc., Utica, N. Y. This federation acts as a trade association or conference board for its members. It neither buys nor sells milk and has nothing to do with the control or management of any of the plants. Occasionally it assists some of the companies in finding a satisfactory market for their milk but it does not make contracts for them nor handle the money. It serves as a medium for enabling the companies to keep in touch with each other and the market.

All the companies are essentially milk-shipping enterprises but are provided with butter, cheese, cream and condensing equipment. The plants, which include some of the largest and most up-to-date milk-shipping stations in the state, represent an investment of about \$1,500,000 and handle the milk of from 3,000 to 3,500 producers. The value of the milk handled approximates \$5,000,000 a year. No general pooling plan has been adopted but if two or more companies choose to cooperate in selling their milk they can do so.

The Eastern States Milk Producers, Inc., is a stock corporation, each member company holding \$100 worth of stock and having one representative on the board of directors. The meetings of directors bring together men from different parts of the milk producing area and furnish excellent opportunities for the exchange of information and opinions. One cent per 100 pounds of milk is paid by the locals for carrying on the field work and service program.

CALIFORNIA FRUIT GROWERS' EXCHANGE COMPLETES ANOTHER YEAR

Car lot shipments of citrus fruit by the California Fruit Growers' Exchange for 1923 were 263.7% greater than those for 1913. During the eleven-year period ending with October 31, 1923, the percentage of the California citrus shipments made by the exchange has increased from 61.5% to 75.8%. During the same period the f. o. b. value of the exchange shipments has varied from \$13,500,000 in 1913 to \$59,000,000 in 1920. The f. o. b. value for 1921 is given in the reports of the exchange as \$61,000,000 but that year consisted of 14 months instead of 12, as the close of the business year was changed from August 31 to October 31. The detailed figures for the several years are given in the following table:

Year	Number of Cars Shipped	Per Cent of Total Shipments from State	F. O. B. Value	Losses (Uncollected Accounts, etc.)
1913	12,443	61.5	\$13,500,000	\$ 390.71
1914	28,186	61.9	19,246,757	355.00
1915	29,805	62.5	19,537,850	- - -
1916	29,823	67.0	27,703,000	102.73
1917	36,218	69.0	33,611,000	None
1918	19,248	76.0	36,422,200	None
1919	33,174	72.3	55,000,000	464.38
1920	34,461	73.7	59,221,329	435.83
1921*	43,592	72.5	61,080,003	3,570.29
1922	27,138**	63.7	48,647,800	4,997.65
1923	45,258	75.8	55,223,450	6,926.70

*Previous to 1921 the fiscal year ended August 31. Beginning with 1921 the date was changed to October 31.

**Basis of 400 boxes to a car.

This table shows the amount of losses because of uncollected accounts, failure of debtors, losses in transit, etc. The total amount of such losses for twenty years is given as \$24,270 on a business of approximately \$546,000,000.

The shipments in terms of boxes of packed fruit have varied during the eleven years from 4,900,000 in 1913 to 19,500,000 in the 14-months year of 1921. By far the greater part of the shipments have been oranges. The percentage which lemons have formed of the total shipment has varied from year to year as follows: 1916, 19.9%; 1917, 17.1%; 1918, 25.3%; 1919, 25.1%; 1920, 21.3%; 1921, 21.3%; 1922, 30.1%; 1923, 18.0%. The number of boxes shipped during the several years is shown in the table on the following page:

Year :	Oranges *	Oranges and Grapefruit	Grapefruit:	Lemons :	Total
:	(Boxes)	(Boxes)	(Boxes)	(Boxes)	(Boxes)
1913 :	- - - -	- - - -	- - - -	- - - -	4,940,068
1914 :	- - - -	- - - -	- - - -	- - - -	11,294,185
1915 :	9,648,283	- - - -	- - - -	2,241,553	11,893,201
1916 :	9,615,855	- - - -	78,433	2,407,232	12,101,520
1917 :	- - - -	12,835,804	- - - -	2,656,536	15,492,340
1918 :	- - - -	6,452,896	- - - -	2,191,281	8,644,177
1919 :	- - - -	11,126,985	- - - -	3,728,110	14,855,095
1920 :	12,144,964	- - - -	226,266	3,452,534	15,823,764
1921** :	15,185,999	- - - -	204,106	4,175,239	19,565,344
1922 :	7,952,284	- - - -	168,796	3,496,223	11,617,303
1923 :	- - - -	14,645,070	- - - -	3,212,347	17,857,417

*Including tangerines.

**Fourteen months because of change in fiscal year.

The average per box expense of marketing citrus fruit, not including the assessments for advertising, have varied during the last eight years from 4-3/4 in 1917 to 9-1/2 in 1922. Marketing expense, exclusive of advertising, is made up of the expenses of the central and district exchanges. The central exchange expense has varied from 79.3% of the total expense in 1923 to 84.6% in 1921. The total expenses have varied from 1.54% to 3.13% of the f. o. b. value of the fruit, as noted in the table below:

Expenses Per Box							
Year :	Central Exchange:		District Exchange:		Total		Per Cent of
:	Cents	%	Cents	%	Cents	%	f.o.b. Value
1913 :	7.33**	84.6	1.33	15.4	8.66	100.0	3.13
1914 :	5.75**	87.1	.85	12.9	6.60	100.0	3.85***
1915 :	6.25**	87.3	.91	12.7	7.16	100.0	4.35***
1916 :	4.65	82.3	1.00	17.7	5.65	100.0	2.47***
1917 :	3.94	82.9	.81	17.1	4.75	100.0	2.19***
1918 :	5.25	80.8	1.25	19.2	6.50	100.0	1.54***
1919 :	4.26	81.9	.94	18.1	5.20	100.0	1.54***
1920 :	5.51	83.1	1.12	16.9	6.63	100.0	1.77***
1921* :	5.95	84.6	1.08	15.4	7.03	100.0	2.25***
1922 :	7.70	81.1	1.80	18.9	9.50	100.0	2.27***
1923 :	5.44	79.3	1.42	20.7	6.86	100.0	2.22***

*Fourteen months because of change in fiscal year.

**Including advertising.

***Determined from data in annual reports.

The assessments per box for advertising for oranges have been advanced from 2.5¢ in 1916 to 4¢ in 1923, and the assessments for lemons have been increased from 4¢ in 1916 to 6.5¢. The approximate amount available for advertising for the several years is readily determined by multiplying the number of boxes for the years by the assessments for the years. Figures thus derived are shown below. The grand total for advertising for the eight years for which data are available is nearly \$4,000,000.

Assessments for Advertising

Year	Oranges and Grapefruit			Lemons			Total
	Cents:	Boxes	Amount*	Cents:	Boxes	Amount:	
1916	2.5	9,694,288	\$242,357	4.0	2,407,232	\$96,289	\$338,646
1917	2.25	12,835,804	283,805	4.0	2,656,536	106,261	395,066
1918	2.0	6,452,896	129,057	4.0	2,191,281	87,651	216,708
1919	2.5	11,126,985	278,174	4.0	3,728,110	149,124	427,298
1920	2.5	12,371,230	309,280	6.0	3,452,534	207,152	516,432
1921	3.5	15,390,105	538,653	6.0	4,175,239	250,514	789,167
1922	3.5	8,121,080	284,237	6.0	3,496,222	209,773	494,010
1923	4.0	14,645,070	585,802	6.5	3,212,347	208,802	794,604
Total		90,637,453	2656,365		25,319,501	1315,566	3971,931

Officers of the exchange estimate that as a result of advertising the 26,000,000 families in the United States and Canada were persuaded to consume 40,000,000 boxes of citrus fruits the past year. It is stated in the annual report for the year ending October 31, 1923, that "every means is taken to reach the millions of possible customers with authentic information about oranges and lemons. Approximately 46,000,000 copies of leading magazines carried a page in natural colors More than 151,000,000 copies of newspapers carried Sunkist advertising messages during the season. Posters and street car advertising aided in disseminating the same information. News articles, photographs, and specially prepared material on the California citrus industry were constantly furnished to newspapers and magazines. . . . " Sunkist recipe books or recipe files were furnished 195,000 housewives. Dealer service was supplied to 400,000 retail stores. Dealer service men called at 24,719 stores handling fruit and gave sales advice. Seven thousand electric juice-extractors were manufactured and sold for use at soda fountains.

The Exchange Orange Products Company, which completed its third year of service in connection with the use of oranges of grade or size unsuitable for the fresh fruit grade, continued the production and sale of oil of orange. Export shipments of the product were made to Canada and England. Concentrated orange juice was also produced on a commercial scale. Two peel products were manufactured and orange pulp was sold as a dairy feed.

*Determined from data in annual reports.

As less than 1,500 tons of lemons were available for the Exchange Lemon Products Company, it was necessary to buy 100 tons of citrate of lime in Italy to avoid disappointing the customers of the company.

The Fruit Growers' Supply Company purchased for its members during the calendar year 1923 approximately \$6,000,000 worth of supplies for packing-house operations and \$2,500,000 worth of supplies for orchard operations. In addition it sold lumber valued at \$4,000,000. During the year the debts of the company were funded by the issuing of first mortgage bonds to the amount of \$4,000,000.

-----O-----

BROOMCORN ASSOCIATION INCREASES MEMBERSHIP

The membership of the Portales Cooperative Broomcorn and Warehouse Association, Portales, N. Mex., which was reported as about 200 in June, 1923, has now increased to 330. Up to the middle of December the association had sold 35 cars of broomcorn and expected to handle about 50 or 60 more cars.

-----O-----

SIXTY-FOUR NEW MEMBERS IN THREE WEEKS

Sixty-four new members in the first three weeks of December, is the report of the New Hampshire Cooperative Marketing Association, Inc., Manchester, N. H. November business was the largest ever handled by the association in one month, amounting to \$50,657, an increase of \$19,965 over the business of November, 1922. The items making up the total were as follows: Eggs, \$24,245; wool, \$711; potatoes and apples, \$21,506; miscellaneous, \$4,196. Receipts of eggs for November amounted to 970 cases, of which 88-1/2% graded as "Just Laid." The highest price received the past year for eggs was 93¢ which was 4¢ less than the highest price in 1922.

-----O-----

ONE MILLION DOLLARS PAID TO COTTON GROWERS

A distribution of about \$1,000,000 was made to its members shortly before Christmas by the Arkansas Cotton Growers' Cooperative Association, Little Rock, Ark. The checks were printed in a special design conveying the good wishes of the association to its members. Payments were to members of the Missouri and Tennessee associations as well as to the Arkansas association. Previous payments for the season had been on a flat basis and had amounted to \$90 a bale for short staple and \$110 per bale for long staple cotton. This distribution was calculated with regard to length of staple, value and weight of bale, and those who delivered better classes of cotton received more money per pound and those who delivered heavier bales received more money per bale.